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NASA Policy Directive

NPD 4500.1Effective Date: September 12, 2013
Expiration Date: September 12, 2018**COMPLIANCE IS MANDATORY**[Printable Format \(PDF\)](#)

Request Notification of Change

 (NASA Only)

Subject: Administration of Property in the Custody of Contractors

Responsible Office: Logistics Management Division

1. POLICY

- a. It is NASA Policy to ensure the continued availability and most effective use of NASA Government property (GP) assets in support of its programs and projects. Effective use of GP entails appropriate management of that property throughout the life of the contract and from planning through disposition of the property. Effective management ensures that the resources required for performance of NASA programs and projects are available when needed and in appropriate form and quantity and that they are acquired, stored, maintained, used, and dispositioned in the most cost-effective manner in accordance with law and regulation.
- b. NASA activities shall not provide GP to contractors unless the responsible Contracting Officer (CO) determines it to be in the best interest of the Government and approves the action. This includes furnishing existing GP to contractors and allowing the acquisition of property by contractors when that property will become titled to the Government under the Federal Acquisition Regulation (FAR), in particular, the Government Property clause (FAR 52.245-1), and the acquired property is not a deliverable item or part thereof.
- c. When NASA property is provided for use outside of a NASA Center or Installation, it is considered Government Provided Property (GPP), and NASA will rely on contractors to be responsible for the stewardship of that property. This includes property acquired by the contractor when that property is titled to the Government under the Government Property clause or under contract financing provisions.
- d. It is NASA policy that property administration programs provide for regular review of contractor performance in the management and stewardship of property in their custody.
- e. NASA maintains fiduciary or financial records of GP for statutory compliance and financial reporting. However, this does not eliminate the requirement for contractors to maintain property records for property in their custody under their property management system (PMS) and as part of their property stewardship responsibilities.
- f. To avoid unnecessary costs associated with duplication of effort, contractors performing outside of NASA Centers and Installations are required by contract to record GP in existing corporate property systems and to manage property using corporate plans, procedures, practices, and standards. NASA projects, programs, and mission support activities shall not attempt to reduce or remove this requirement.
- g. NASA contracts shall require contractors to use and manage property according to NASA policy and procedural requirements when they perform within the physical confines of a NASA Center or Installation. Such property shall be considered Installation Accountable Government Property (IAGP).
- (1) When NASA internal GP record systems are available, IAGP being used by contractors shall be recorded and managed within those systems.
- (2) To eliminate unnecessary costs, duplication of records and reports shall not be required.
- (3) When internal GP record systems are unavailable or when property does not meet the criteria for internal NASA recordkeeping, property used by contractors shall be recorded in the contractor's property management recordkeeping system(s) in accordance with the requirements of the contract and their property management standards, systems, and practices.
- h. NASA will allow contractors, when performing within their own facilities, to follow industry leading practices and standards (ILP&S), voluntary consensus standards (VCS), or customary commercial practices (CCP) for the

stewardship and management of GP to the extent that ILP&S, VCS, and CCP exist and are adequate for the management of property under the contract's circumstances. NASA officials should not impose additional GP management, recordkeeping, or reporting requirements on contractors when those contractors perform within their own facilities, and the requirements would create a NASA-unique requirement and result in increased administrative costs to the Agency through duplication of contractor records, systems, processes, or work effort.

(1) Additional requirements shall be imposed only to meet justified program objectives or to ensure the safety of personnel and property.

i. All facets of GP management require the highest degree of ethical standards to be applied by both Government and contractor personnel.

2. APPLICABILITY

a. This NASA Procedural Directive (NPD) is applicable to NASA Headquarters and NASA Centers, including Component Facilities and Technical and Service Support Centers. This language applies to the Jet Propulsion Laboratory (a Federally Funded Research and Development Center), other contractors, grant recipients, or parties to agreements only to the extent specified or referenced in the appropriate contracts, grants, or agreements.

b. In this NPD, all mandatory actions (i.e., requirements) are denoted by statements containing the term "shall." The terms "may" or "can" denote discretionary privilege or permission, "should" denotes a good practice and is recommended, but not required, "will" denotes expected outcome, and "are or is" denote descriptive material.

c. In this directive, all document citations are assumed to be the latest version unless otherwise noted.

3. AUTHORITY

a. Public Buildings, Property, and Works, 40 United States Code (U.S.C.), pt. 101 et seq.

b. The National Aeronautics and Space Act, 51 U.S.C. § 20113(a).

4. APPLICABLE DOCUMENTS

a. Federal Acquisition Regulation (FAR), Government Property and Associated Property clauses, 48 C.F.R., pts. 45 and 52.

b. NASA FAR Supplement, Government Property, 48 C.F.R., pt. 1845.

c. NPR 4500.1, Administration of Property in the Custody of Contractors.

5. RESPONSIBILITY

a. Principal authority and responsibility for the administration of NASA property in the custody of its contractors rests with the responsible COs.

b. The NASA Contract Property Program Manager (CPPM), within the Division of Logistics Management, Office of Strategic Infrastructure, NASA Headquarters, is responsible for Agency-level management of the contract property program and shall provide policy and oversight in support of that effort.

c. Each Center Director; the Executive Director, Office of Headquarters Operations; and the Executive Director, NASA Shared Services Center, shall appoint an Industrial Property Officer (IPO).

d. IPOs shall serve as the Center expert in contract property matters, advising COs, Program and Project Managers, and other Center officials on Center logistics activities and correct methods, processes, and requirements for managing GP being used by or in the custody of NASA contractors. They are responsible for coordination of all activity related to contract property between these individuals, contractors, property administration, and plant clearance personnel. They provide reports to NASA HQ on the effectiveness of their operations in accordance with NPR 4500.1. They lead or supervise NASA conducted property administration activities.

e. Property Administrators are responsible for review of contractor property management activities and assurance that those activities are in compliance with the requirements of the contract. Property Administrators may be civil servants employed by NASA or civil servants of other agencies by delegation. NASA activities may augment their Property Administration staff with contract employees, not employed by the contractors whose PMS are administered, as needed, to execute these responsibilities.

f. The compilation of the contractor's procedures, records, standards, and practices, as executed, comprise the contractor's Property Management System (PMS). The documentation of the PMS is the Contractor's Property Management Plan (PMP). The NASA IPO and the Government Property Administrator (PA) shall determine the extent to which the plan and its ILP&S, VCS, or CCP exist and are satisfactory to perform property management

under the circumstances of the contract.

(1) When either the IPO or the PA determines that the contractor's ILP&S, VCS, or CCP are inadequate for performance of property management functions under the contract or when the use of ILP&S, VCS, or CCP create an unacceptable increased risk to the Government, the IPO or PA shall advise the CO of the need for corrective action.

g. The PA shall review the contractor's PMS during execution through a Government-conducted Property Management System Audit (PMSA). The PA shall consider the extent and effectiveness of the contractor's internal reviews, prior audit outcomes, and the risk schedule, as well as independent audits of contractor systems and records in determining the schedule, extent, and depth of the Government PMSA. The PMSA:

(1) Will be scheduled and conducted in accordance with NPR 4500.1.

(2) Shall serve internal audit purposes related to property stewardship and management.

(3) Shall be used to verify the contractor's records are adequate to provide reasonable assurance of the accuracy of the data and processes used for property reporting.

(4) Shall be used to determine the existence and efficacy of reasonable management controls.

(5) May be augmented by personnel or performed as joint reviews with personnel from the administered contract. However, contractor-conducted reviews or contractor self-assessments (CSA), in and of themselves, are not sufficiently independent to substitute for a Government-conducted PMSA.

h. To limit contract and Government administrative cost, PMSAs shall not be duplicated.

i. When, as a result of the PMSA or as part of their professional judgment, the PA determines that the contractor's performance of property management does not meet the requirements of the contract, they shall advise the CO of the need for corrective action.

j. The CO shall take action to require correction of deficiencies identified by the IPO or the PA in accordance with the NASA FAR Supplement, pt. 1845.

k. Plant Clearance Officers (PICOs) are responsible for disposition of contractor inventory in accordance with all applicable laws and regulations. NASA Property Disposal Officers may serve as PICOs when property is dispositioned through the NASA disposition systems. PICOs may be civil servants of other agencies by delegation.

(1) GP no longer required to support its original contract or program purpose is considered contractor inventory and shall be reported to the Government Plant Clearance Officer (PICO).

(2) PICOs shall make contractor inventory available for further public use or otherwise disposition it in accordance with Federal law and regulation.

l. NASA Industrial Property Management Specialists are responsible for property administration for NASA contracts not delegated to another cognizant agency or retained by the CO.

6. DELEGATION OF AUTHORITY

a. Unless specifically retained in writing by the CO, the Center or Installation IPO shall have operational authority, as a delegated agent of the CO or grants officer, to perform functions associated with the administration of property and, to the extent specifically authorized, plant clearance. This authority extends to administration of property in the custody of all parties operating under contract, grant, or cooperative agreement with that Center in accordance with the terms and conditions of the particular award. This authority exists during the entire life cycle for property from acquisition through disposition and through the duration of the contract and includes all aspects of property administration except for approval of the provision of property to the contractor.

b. The Center or Installation IPO shall have further authority to request support delegations from other agencies when needed, available, and those support delegations serve to eliminate duplication of Government efforts.

7. MEASUREMENTS

Verification is conducted through regular compensating control reviews. Measurement is accomplished through the automated collection of information within information management systems.

8. CANCELLATION

None.

/s/ Charles F. Bolden, Jr.
Administrator

ATTACHMENT A: (TEXT)

Contracting Officer: A person with the authority to enter into, administer, and/or terminate contracts and make related determinations and findings. The term includes certain authorized representatives of the contracting officer acting within the limits of their authority as delegated by the contracting officer.

Contract Property Program Manager: The NASA civil servant responsible for the overall operation of the contract property management program, agency wide.

Contractor Self Assessment: An internal review of the contractor's PMS conducted in compliance with the requirements of the FAR Government property clause, 52.245-1.

Customary Commercial Practice: A documented practice or standard accepted across an industry developed through a consensus process limited to that industry.

Government-Furnished Property: Property in the possession of, or directly acquired by, the Government and subsequently furnished to the contractor for performance of a contract. Government-furnished property includes, but is not limited to, spares and property furnished for repair, maintenance, overhaul, or modification. Government-furnished property also includes contractor-acquired property if the contractor-acquired property is a deliverable under a cost contract when accepted by the Government for continued use under the contract.

Government Property: Property which is titled to the Government through the title provisions of the FAR Government Property clause, 52.245-1 or to which the Government has obtained title due to delivery and acceptance.

Government-Provided Property: Government property which is provided to the contractor for performance of an off-site contract. See FAR 45.101 definition of provided.

Industry Leading Practice and Standard: A documented, proven practice or standard that exceeds common industry practice or standard in performance or effectiveness and in cost control. Industry leading practices or standards prove increased performance, or effectiveness in addition to decreased or constant cost through their acceptance and publication in refereed, professional journals.

Industrial Property Management Specialist: A civil servant assigned the responsibilities of reviewing contractor operations as a Property Administrator and serving as a liaison between the contractor's property management operations, the Center property operation, and the CO.

Installation Accountable Government Property: GP which is subject to NASA management control, security, and recordkeeping in accordance with NFS Clause 1852.245-73 and other NASA Procedural Requirements.

Plant Clearance Officer: An authorized representative of the contracting officer, appointed in accordance with Agency procedures, responsible for screening, redistributing, and disposing of contractor inventory from a contractor's plant or work site.

Property Administrator: An authorized representative of the contracting officer, appointed in accordance with Agency procedures, responsible for administering the contract requirements and obligations relating to Government property in the possession of a contractor.

Property Disposal Officer: The person responsible for a Center's screening, redistribution, and marketing activities of NASA-owned excess, surplus, and exchange/sale personal property.

Property Management Plan: The contractors proposed plan for the management of GP in their possession. This plan may include, but is not limited to, procedures, voluntary consensus standards, performance standards, industry leading practices and standards, as well as customary commercial practices.

Property Management System: The documentation of and performance of property management activities.

Property Management System Audit: A review of the contractor's performance of property management to determine compliance with contractual requirements and the contractor's documented property management plans, standards, practices, and processes. **Provided:** Furnished, as in Government-furnished property, or acquired, as in contractor-acquired property.

Voluntary Consensus Standards: Standards developed or adopted by voluntary consensus standards bodies both domestic and international.

ATTACHMENT B: Acronyms

CCP Customary Commercial Practices
CO Contracting Officer
CPPM Contract Property Program Manager
CSA Contractor Self Assessment
FAR Federal Acquisition Regulation
GP Government Property
GPP Government Provided Property
IAGP Installation Accountable Government Property
ILP&S Industry Leading Practices and Standard
IPMS Industrial Property Management Specialist
IPO Industrial Property Officer
NPD NASA Policy Directive
NPR NASA Procedural Requirement
PA Property Administrator
PDO Property Disposal Officer
PICO Plant Clearance Officer
PMP Property Management Plan
PMS Property Management System
PMSA Property Management System Audit
VCS Voluntary Consensus Standards

/s/ Charles F. Bolden, Jr.
Administrator

(URL for Graphic)

None.

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